WATER SUPPLY ISSUES

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WATER SUPPLY
Basic Authorities

- **Title III, 1958 R&HA:**
  - **Include M&I water supply storage in reservoir projects.**
  - **Reallocate storage in existing projects to M&I water supply.**
  - **Mods to add M&I water supply which would seriously affect other authorized purposes require congressional authorization.**
  - **Section 301(a): *"It is hereby declared to be the policy of the Congress to recognize the primary responsibilities of the States and local interests in developing water supplies for domestic, municipal, industrial and other purposes and that the Federal Government should participate and cooperate in developing such water supplies in connection with the construction, maintenance and operation of Federal navigation, flood control, irrigation or multiple purpose projects."***

WATER SUPPLY
Reallocation of Storage

- **Water Supply Act of 1958 allows for reallocation without Congressional approval as long as it does not have a severe impact on original project purposes or involve major structural or operational changes**
- **Corps policy limits reallocations to 50,000 ac-ft or 15% of the total usable storage, whichever is less**
- **Non-Federal pays highest of 4 analysis methods**
  - **Revenues Forgone**
  - **Benefits Forgone**
  - **Updated Cost of Storage**
  - **Replacement Costs**

WATER SUPPLY
Basic Authorities

- **Sec. 6, 1944 FCA – Surplus Water**
- **Sec. 8, 1944 FCA – Irrigation in Western States**
- **Sec. 931, WRDA of 1986 – Interim Irrigation**
- **Sec. 103, WRDA of 1986:**
  - **Non-Federal cost sharing for M&I water supply = 100%**
  - **Non-Federal cost sharing for agricultural water supply = 35%**
- **PL 88-140, 1963 – Right to Storage**
- **PL 75-208, 1937 – Contributed Funds**
- **Sec. 82 of WRDA 74 and 1974 Disaster Relief Act – Emergency Water Supply**
- **Sec. 22, WRDA 74 - Planning Assistance to Environmental Infrastructure Projects -planning, design, construction assistance in water quality/wastewater treatment, water supply/distribution systems, reuse systems, streamflow enhancement, drainage facilities and flooding.**

NATIONAL NEEDS

Modernize Aging Infrastructure to Insure Reliability and Quality

20-Year Water Infrastructure Needs

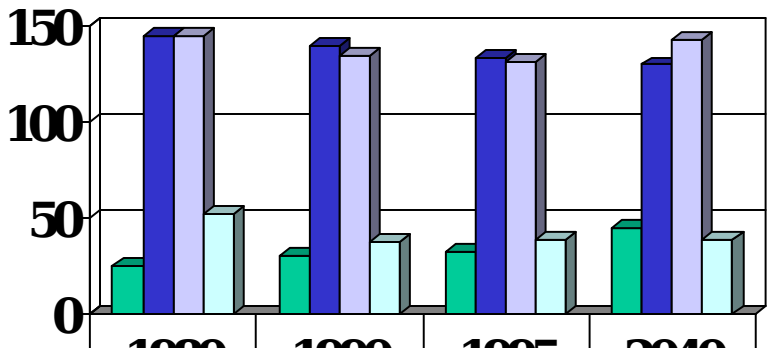
(billions of Jan. 1995 dollars)

System Size	Transmission and Distribution	Treatment	Storage	Source	Other	Total
Large	$30.5	$17.2	$3.5	$5.6	$1.6	$58.5
Medium	22.2	12.0	4.2	2.8	0.3	41.4
Small	23.8	6.7	4.2	2.5	0.04	37.2
AI&AN	0.6	0.3	0.3	0.1	0.03	1.3
Total	$77.2	$36.2	$12.1	$11.0	$1.9	$138.4

Source: Water Infrastructure Needs Survey, EPA, 1997

AI&AN = American Indian and Alaska Natives Systems

NATIONAL NEEDS
Meet Increasing Demand



	1980	1990	1995	2040
M&I	25	30	32	45
AG	145	140	134	130
Thermoelectric	145	135	132	143
Industrial	52	37	38	38

(withdrawals in billion gallons/day)

Water Use By Sector

Source: U.S. Geological Survey, 1995

NATIONAL NEEDS

- **Improve efficiency and reliability of local community systems.**
- **Balance competing uses.**
- **Facilitate the resolution of issues associated with interstate water transfers.**
- **Identify and evaluate effective conservation management measures**
- **Eliminate/minimize geographical disparity between supply facilities and demand centers.**
- **Eliminate inequity in access to programs and facilities.**
- **Assist foreign countries to meet water resources management needs.**

Corps Issues

- **Low priority mission from budgetary standpoint**
  - **Definition of Federal and non-Federal roles**
- **Financial/repayment issues**
  - **No Federal cost sharing**
  - **Up-front payment for storage in new reservoirs**
  - **Pricing policies for seasonal use of water**
  - **Lack of financial capability - low income communities**
- **Operation of reservoirs to meet competing demands under normal and drought conditions**
- **Challenge of allocating water among states/competing users**
- **Multiple entities, programs and activities and conflicting criteria**

Policy Changes Considered

- **Re-define Federal role in water supply**
  - **Amend Section 301(a) of 1958 Water Supply Act**
- **Authority for Corps development of single purpose water supply facilities**
- **Authority for Corps involvement on the modification of existing non-Federal reservoirs projects**
- **Cost sharing and ability to pay**
- **Allow repayment over time for storage in new reservoirs**
- **Revise pricing policies for seasonal use of water**

KEY POINTS

- **Corps can help meet the Nation’s water supply needs by making more effective and efficient use of existing facilities.**

- **Expansion of the water supply mission depends on legislative action to re-define the National policy on municipal and industrial water supply.**

SEEKING INNOVATIVE OPTIONS